

Form 990 Questions & Answers

Overview

This webinar will help non-CPA's more easily navigate the key pages in a nonprofit tax return. Two nonprofit specialists will answer your questions. Also, we will discuss 990 basics like required schedules, the governance & policy pages and potential IRS audit red flags. And, we could include a brief update on Margaret Von Lienen's (new IRS EO Director) new data driven audit selection process, and on the Trump administration's policy on no new IRS Regulations, called the "Two for One" rule.

Webinar

Form 990 Questions & Answers About Key Pages & Compliance Tests with Howard Donkin and Kari Moore

<https://vimeo.com/246865992>

Date: December 6, 2017

In this webinar you'll learn:

- The four key pages you should understand in a nonprofit tax return
- The articles of incorporation and the determination letter
- The IRS rules for board independence

Presenters

Howard Donkin, CPA, Jacobson Jarvis

Howard Donkin, Tax Partner, brings more than 20 years of experience serving the not-for-profit community, and is nationally recognized for his work with not-for-profit organizations in the areas of tax, accounting, consulting and software. Howard also has considerable experience working with the IRS Tax Exempt Entities Division, helping charities resolve tax problems involving filing issues, determination letters, public support tests and penalty abatement.

Kari Moore, CPA, Jacobson Jarvis

Kari Moore, CPA is the Tax Manager at Jacobson Jarvis & Co, PLLC. Kari focuses on tax services and QuickBooks assistance for not-for-profit organizations, but is also widely experienced with trust, business and individual tax returns. Kari is a regular contributor to the Washington Society of Certified Public Accountants' not-for-profit committee and a member of the American Institute of Certified Public Accountants.

Resources needed

1. Computer. We recommend you download the webinar onto the desktop so that you aren't relying on the Internet.
2. Projector/screen or HD television.
3. Handouts & Tools - Discussion Guide, Form 990 Questions and Answers About Key Pages & Compliance Tests Handout

Form 990 Questions & Answers

Discussion Guide

Key questions

- What are the four key pages you should understand in a nonprofit tax return?
- Where do you look in the tax return to find the public support tests, community benefit test, organized and operated test, lobbying test, discrimination test, and commerciality test?
- What are the IRS rules for board independence?
- How can your tax return be a fundraising tool and present your organization in the best light to potential donors?

Clips of video

02:20– 05:09 – What are 4 reasons you should care about what your Form 990 says about your organization?

Howard talks about the importance of reviewing your Form 990 because of IRS Audit, governance, marketing to donors, and monitoring.

- Why is the Form 990 important during an IRS audit?
- Why is it important to have a well-prepared Form 990?
- How can the Form 990 be used to present to the public and deal with governance issues?
- Are you maintaining your exempt status?

05:09-06:10– Where is a good place to start to find out if your organization needs to file a 990?

Kari talks about the articles of incorporation and determination letter and using it as a tool to find out if your organization needs to file a 990.

- What is an article of incorporation?
- What information does the letter of determination reveal?

06:10-09:02– What are the different Form 990s?

Kari discusses the different Form 990s that are available.

- Does your organization have a copy of your last Form 990?
- What is the difference between a Form 990, 990-EZ, and 990-N?
- If your organization has gross receipts of \$50,000 or less, what form should you file?

09:02-11:06 – What is a 990-T?

Kari talks about the Form 990-T the criteria for organizations.

- What organizations must file a 990-T?
- What UBTI sources do organizations frequently overlook?

11:11-18:02– How can you improve your ability to speed-read a Form 990?

Howard and Kari talk about starting with four key pages; snap shot, accomplishments, checklist of required schedules, and governance and disclosure.

- What is covered on page 1?
- What are your accomplishments?

- Did you file a complete and accurate return?
- What is covered under the governance, management, and disclosure on page 6?

18:02-23:03– Review you compliance requirements

Howard covers the compliance requirements.

- What are some compliance requirements?
- Are you sending out donor acknowledgements?
- What are the filing and extension due dates?
- What records are you keeping and how long?

23:03-29:22 – What are the 4 key IRS tests for maintaining your tax-exempt status?

Howard covers whether your organization will pass the four key IRS tests for maintaining your tax-exempt status.

- Do your Articles state your exempt purpose and operation/termination requirements?
- Do you have a racially nondiscrimination policy towards students in your governing documents, brochures, etc.?
- Are your programs real and substantial?
- What is the commerciality doctrine?

29:22-35:12 – What are some red flags that can limit your expose to a potential IRS audit?

Howard talks about the incomplete return, accomplishments, and checklist of required schedules, governance, management and disclosure.

- Did you sign your return?
- Did you attach your schedules for contributions and other disclosure?
- Do you have written policies?
- What are the three main criteria's for determining a board member's independent status?

35:12-36:42– What is included in the checklist to avoid an IRS audit?

Kari goes over a checklist that will help you to avoid an IRS audit.

- Do you have written policies and follow them?
- Are program expenses more than 50%?
- Is the tax return complete?
- Are programs consistent with your mission?

36:43-45:04– What do I need to consider when reviewing state and local tax filings?

Kari discusses a review of the state and local tax filings.

- Does your organization use independent contractors?
- Can a nonprofit receive a property tax exemption from the Washington State Department of Revenue?

Actions to take the next step

- How will you educate yourself on reporting and compliance requirements?
- Reflect: What do you think your next steps should be?

Resources for further information

Website: <https://www.wanoprofitinstitute.org/finance/>

Jacobson Jarvis & Co website: <https://jjco.com/>